



Payroll Pointers for Filers of Forms W-2/W-3

Social Security Administration

W-2 Reporting Methods

- ◆ Electronic
 - *Your Best Choice!*
- ◆ Magnetic Media
- ◆ Paper Copy A



Electronic W2 Filing

◆ **Business Services Online**

– www.ssa.gov/employer



◆ **Register for PIN and Password**

◆ **Upload W2 files**

◆ **W-2 Online**

– **Complete Up to 20 W2s on Web Page**

– **Print Employee Copies**

Electronic Filing (cont.)

- ◆ **Extended Filing Deadline-Mar. 31**
 - **Helps Avoid W2Cs**
- ◆ **Automatic Electronic Receipt**
- ◆ **Compressed Files Accepted**
- ◆ **Check Status of Submissions**
 - **Displays Some Errors and Notices**
- ◆ **Test Transmissions (Connectivity, Only)**
- ◆ **Fully Electronic-No Paperwork**



Magnetic Media

◆ **3 1/2" Diskette**

- **MS/DOS (or Compatible) Operating System**

◆ **Magnetic Tape: 1/2"**

- **9 Track Reel-to-Reel**
- **IBM 3480/3490 Cartridges**

W2 File Format

- ◆ **“Magnetic Media Reporting and Electronic Filing” (MMREF-1)**
- ◆ **Electronic or Magnetic Media**
- ◆ **Incorporated Into Most Payroll Software**
- ◆ **Specifications at www.ssa.gov/employer**

W2Cs

- ◆ If 250 or more W-2Cs during the calendar year, then must file on disk or electronically
- ◆ What form to use:
 - December 2002
 - » IRS Publication 1223 for Substitute Specification
 - » Must use this version beginning 7/1/2003
 - » File electronically - MMREF-2

Test Software for W2 File

- ◆ **AccuWage**
- ◆ **Checks MMREF-1 Format**
- ◆ **Free Download at:**
www.ssa.gov/employer
- ◆ **Tests for Over 235 Edits**
- ◆ **AccuW2C**
 - **Tests W-2C Files (MMREF-2)**

Foreign Workers

- ◆ Verification with INS for foreign workers before SSN issued
 - Immediate verification
 - Delayed verification
- ◆ What to do if no SSN
- ◆ How to file report without an SSN



Paper W2 Copy A

- ◆ **If You Can't File Electronically...**
- ◆ **IRS Copy A, Pub. 1141 Compatible, or SSA-Approved Laser Forms**
- ◆ **Sent to Wilkes-Barre Data Operations Center via Form W-3 by Feb. 28**
- ◆ **90% Can be Machine Scanned**
- ◆ **Remainder Manually Keyed**
 - **Expensive and Error Prone**

Form W-2 Changes for TY 2003

- ◆ **No Changes to W2 Form Size or Boxes**
- ◆ **Box 12 Code V Mandatory**
 - **Exercise of Nonstatutory Stock Options**
- ◆ **Revised W2C**
 - **Adds State and Local Fields**
 - **Dec., 2002 Version**

Common W-2 Reporting Errors

◆ Electronic or Magnetic Media

- Money Fields Out of Balance**
- Wrong Tax Year**
- Wrong Data (e.g., Partial/Prior Year)**

◆ Paper

- Print Too Small/ Too Light**
- Wrong Size Form/ Cut Forms**

◆ Both

- Name/SSN Mismatches (* Use EVS)**
- Wrong EIN**

Name / SSN Mismatches

- ◆ **W2 Name and SSN Need to Match SSA Records**
- ◆ **No Wage Credit If Data Mismatches**
- ◆ **95% of W2s Have Valid Information**
- ◆ **Unable to Match Several Million W2s**
- ◆ **Suspense File**
- ◆ **Notices to Employer and Employee**

Prevent Mismatches

- ◆ **Ask to See SSN Card at Hire**
- ◆ **Record Name and SSN as Shown on SSN Card**
 - **OK to Use Middle Initial Only**
 - **Use Care With Compound Names**
- ◆ **OK to Copy SSN Card for Payroll**
- ◆ **Use EVS!**

Employee Verification Service

- ◆ Verifies Employee Supplied Data
- ◆ Name, SSN, DOB, Gender
- ◆ Telephone-800 772-6270 (5)
- ◆ Local SSA office (50)
- ◆ Paper List (300), Tape or Disk (any size)
 - Registration Required
- ◆ Details at www.ssa.gov/employer

Reconciliation

- ◆ **Compares Totals from W-2s with 941/943**
 - **Income Tax Withheld**
 - **Social Security Wages**
 - **Social Security Tips**
 - **Medicare Wages and Tips**
 - **Advance EIC Payments**

Reconciliation Notices

- ◆ **W-2s Less Than 941s: SSA Sends Notice**
- ◆ **W-2s More Than 941s: IRS Sends Notice**
- ◆ **SSA Notices Mailed Nov-Feb for Prior TY**
- ◆ **Check Actual Data Sent to SSA & IRS**
- ◆ **Reply to Avoid IRS Penalty**
- ◆ **Call If Help Needed**

Need Help?

- ◆ **www.ssa.gov/employer**
 - **“How to Reach Us”**
- ◆ **National Employer Information Line**
 - **800 772-6270**
- ◆ **VISIT OUR BOOTH *TODAY!***